FINANCE COMMISSION MEETING
MINUTES
AUGUST 12, 2022

CALL TO ORDER:

Jeremy S. VanEk	Chair	Present
Anne Arnold Andino	Commissioner	Present
Lea Dan	Commissioner	Present
Jose DeLeon	Commissioner	Present
Christopher Goodman	Commissioner	Present
Mike Graham	Commissioner	Present
Scott R. Greeno	Commissioner	Present
Christopher Oakes	Commissioner	Present
Brian Niska	Commissioner	Present
Camille White	Student Commissioner	Excused Absence

Also, present: Trustee Payne, Village Manager Mark Franz, Finance Director Larry Noller, Assistant Finance Director Patrick Brankin, and Recording Secretary Haslett.

A. **Call To Order**

The regular meeting was called to order at 7:00AM. By Chair Jeremy VanEk at 535 Duane Street, in Glen Ellyn, Illinois.

B. **Public Comment (Non-Agenda Item)**

None.

C. **Approval of Minutes**

1) Minutes – June 10, 2022

MOVE TO APPROVE THE MINUTES OF THE FINANCE COMMISSION MEETING AS AMENDED FROM 6/10/2022.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Graham**
SECONDER:	**Commissioner DeLeon**
AYES:	**Andino, Dan, DeLeon, Goodman, Graham, Greeno, Niska, Oakes, and J. VanEk**
ABSENT:	**None.**

D. **Financial Reports**

1. Annual Comprehensive Financial Report as of December 31, 2021

Finance Director Noller thanked Assistant Finance Director Brankin for leading the 2021 audit. The Village received an unmodified opinion for the audit. This is the highest rating available and means the financial reports are materially correct. Finance Director Noller highlighted key items from the audit. The Village's total net position is $244,422,958. The net change in fund balances for the General Fund was $2,165,913. The Police Pension Fund had a good year with net position going from $35,656,781 in 2020 to $38,947,823 in 2021. The IMRF pension fund was funded at 117.86%, while the Police Pension Fund was at 68.05%.

2. 2022 Mid-Year Financial Report and Budget Review

Mid-Year Review
Finance Director Noller presented the 2022 Mid-Year Financial report as of June 30, 2022, which is presented on a budget basis. The Village is expected to have another good year. Revenues are exceeding last year's actuals by about $1.91 million and are exceeding the budget by about $1.36 million. These increases are due to income taxes being $695,000 ahead of last year, and both the sales and home rule sales taxes are trending above budget. With closing on the Roosevelt Road hotel property, which cost $2.7 million, expenses are above the prior year actuals. Sales, home rule, and income taxes are tracking significantly above budget. The Village's restaurants are doing better coming out of the pandemic as reflected in the growth of the food and beverage tax. Real estate transfer taxes are expected to trend below last year due to the increase in interest rates and a reduction in the number of houses sold. The Village used $500,000 in General Fund reserves for the Roosevelt Road hotel purchase. June 2022 was a million-dollar month for the Village Links and banquet business is doing very well. Staff completed the Police Pension state consolidation this past April. With the consolidation, the Police Pension Fund earned a negative -10% rate of return through June 2022.

Budget Review
Finance Director Noller projected that the Village would end the year, $2 million above budget in revenues based upon the recent increases in sales and income taxes. Total expenses will most likely be $2 million above the budget due to the hotel purchase. The Village's department heads expect their budgets to remain within budget for the remainder of the year.

The Village expects to receive $3.8 million in ARPA funds. In January 2022, the U.S. Treasury Department issued new guidelines for spending ARPA funds. Now governments receiving less than $10 million, can claim the funds as a standard allowance and this money can be used for general government services which includes public safety salaries. Given the new flexible guidance, staff is now recommending the ARPA funds be entirely applied toward public safety salaries. This will allow the Village to still complete the projects that were initially going to be funded using ARPA funds. A discussion of the ARPA funds ensued. Finance Director Noller explained the Village will spend the ARPA funds on public safety salaries this year, which will be in compliance with the ARPA spending guidelines. Assistant Finance Director Brankin said the auditors agreed with this approach and indicated that other municipalities are following the same methodology.

3. General Fund Financial Report – June 2022

Assistant Finance Director Brankin said the performance of the General Fund has been really strong. Even with the hotel purchase, there is a positive change in fund balance through June. The Finance budget variance is due to the timing of filling personnel vacancies. Building expenses are tracking higher due to the difficulty in hiring a civil engineer. Sales taxes are starting to plateau, while income taxes are still at an all-time high.

4. Village Links/Reserve 22 Financial Reports – June 2022

   Assistant Finance Director Brankin noted the June 2022 report included some comparative information from 2019. Finance Director Noller said the Village Links earned $1.1 million in revenues for June, which is the first time this has occurred.

5. Cash and Investments Report Q2 2022

   Assistant Finance Director Brankin said the Village's cash value as of June 30, 2022 was $84.1 million. The Village's cash value is always at a high value in June due to the property taxes receipted from DuPage County. Investment income is increasing over prior years with $153,583 earned compared to $17,802 last year. There was some discussion of re-establishing a sub-committee regarding the management of the Village's investments.

E. **Trustee Liaison's Report**

Trustee Payne provided an update on Village Board activities. Village Manager Franz provided a capital update.

F. **Chair Report**

Chair VanEk welcomed Commissioner Andino, Commissioner Graham, and Commissioner Niska to their first Finance Commission meeting. A new Commissioner Orientation is scheduled for after the next meeting on Friday, September 9, 2022. Chair VanEk thanked Finance Director Noller and Assistant Finance Director Brankin for their smooth operations during the transition.

G. **Other Business**

1) Economic Development Update

   Village Manager Franz updated the Finance Commission on recent economic development activities during the Trustee Liaison's report.

2) New Commissioner Orientation – scheduled for Friday, September 9, 2022 immediately following the Finance Commission meeting.

3) Next Meeting: Friday, September 9, 2022 at 7:00AM

H. **Adjournment**

1. Motion to Adjourn

   Commissioner Oakes moved and Commissioner Greeno seconded, to adjourn the meeting. The meeting was adjourned at 8:19AM.

Submitted by Aileen Haslett, Recording Secretary